

July 5, 2017

**Submitted Electronically**

Brent J. Fields  
Secretary  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

**RE: Notice of Filing of a Proposed Rule Change to Amend MSRB Rule G-26, on Customer Account Transfers, to Modernize the Rule and Promote a Uniform Customer Account Transfer Standard (SR-MSRB-2017-03)**

Dear Mr. Fields:

On behalf of the Bond Dealers of America (“BDA”), I am pleased to submit this letter in response to the MSRB’s filing of proposed amendments to MSRB Rule G-26, on customer account transfers (SR-MSRB-2017-03) (“the Notice”). BDA appreciates the amendments that the MSRB has proposed in the Notice, especially withdrawing the proposed definition of “non-transferable asset”.

***BDA urges the SEC to request that FINRA harmonize the timeframe in FINRA 11870(f)(1) with MSRB G-12(h) and MSRB G-26 as soon as practicable.***

BDA urges the SEC to request that FINRA amend the timeframe in FINRA 11870(f)(1) as soon as practicable to harmonize its rule with the recently adopted changes to MSRB G-12, which, by reference, shortened the timeframe for dealers to close out account transfer fails under MSRB G-26. BDA recognizes that the inconsistency of the timeframes in G-12 and FINRA 11870 could be a source of confusion for failed transfers and transactions in the National Securities Clearing Corporation’s (NSCC) Continuous Net Settlement (CNS) system, where it will be hard to distinguish which rule and related timeframe applies. BDA believes the most effective way to resolve this issue is to have FINRA amend the timeframe in FINRA 11870.

***BDA urges SEC and MSRB to consider a moderately longer period between the adoption of the rule and its effective date.***

From a practical standpoint, an effective date around January 2018 will be challenging for broker-dealers, especially for dealers who will be beginning compliance with the Department of Labor's principal trading and best interest contract exemptions, which are applicable on January 1, 2018. Additionally, FINRA and MSRB's retail confirmation rules become effective in May 2018. These two rules are extremely significant regulatory changes for U.S. broker-dealers that offer fixed income securities to retirement and non-retirement investors and will be the focus of legal, compliance, and operational staff at BDA member firms for the majority of the next calendar year. To benefit smaller dealers with fewer compliance staff and resources it would be greatly appreciated to adopt an effective date for the G-26 amendments that falls after the January 2018 effective date for the Department of Labor's exemptions, perhaps 180 days after the adoption of the rule.

Thank you for the opportunity to provide these comments.

Sincerely,

A handwritten signature in blue ink that reads "Mike Nicholas". The signature is written in a cursive, flowing style.

Mike Nicholas  
Chief Executive Officer